

AGENDA

**PORT KC
FINANCE & ADMINISTRATION COMMITTEE MEETING
FRIDAY, February 17, 2023
8:30 A.M.**

<https://us02web.zoom.us/j/87973638598?pwd=WC9weUJFSDdJaXA0WFRmWkZwdnJ6Zz09>

1. **Call to Order** Chairperson Oates
2. **Consideration of March 18, 2022 and April 15, 2022 Minutes** Chairperson Oates
3. **Consideration of Resolutions**

A separate public testimony period will be provided at the conclusion of the Committee's consideration of each of the listed items, i.e., prior to any vote. Public testimony is limited to three (3) minutes per person, per item, unless extended at the discretion of the Chairperson.

A. Consideration of Amendment No. 1 to Port KC FY23 Budget Joe Lohman
4. **Finance Report** Joe Lohman
5. **Other Business**
6. **CLOSED SESSION: Pursuant to Section 610.021 (1)(2)(3), RSMo for matters related to legal actions, real estate transactions and personnel issues**
7. **Adjourn** Chairperson Oates

**PORT KC
FINANCE & ADMINISTRATION COMMITTEE MEETING MINUTES
FRIDAY, MARCH 18, 2022
8:30 A.M.**

Join Zoom Meeting

<https://us02web.zoom.us/j/88493305315?pwd=MIVTNXE5Q1N2QUI2cHRZcjZuTVAzUT09>

Meeting ID: 884 9330 5315

Passcode: 347649

Staff:

Brian Rabineau, Chase Johnson, Joe Lohman, Joe Perry, Jolene Mead, Mariah Shields, Mark Coulter, and Mary Barnes

Board:

Chairperson Matt Oates
Commissioner Deb Hermann

Guests:

Damon Miles

1. **Call to Order** Chairperson Oates
2. **Consideration of February 18, 2022 Minutes** Chairperson Oates

Commissioner Hermann made a motion to accept the February 18, 2022, minutes as written.

Chairperson Oates seconded.

Roll call vote was taken:

Chairperson Oates, Aye
Commissioner Hermann, Aye

The motion passed unanimously.

3. **Consideration of Resolution Delegating Authority to Execute Checks, Drafts and Notes** Joe Lohman

Commissioner Hermann made a motion that the committee recommend the adoption of a Resolution authorizing the addition of the Chairperson of the Finance & Administration Committee and Port KC's Vice Presidents to the list of people authorized to co-sign checks, drafts and notes over \$25,000.

Chairperson Oates seconded.

Roll call vote was taken:

Chairperson Oates, Aye
Commissioner Hermann, Aye

The motion passed unanimously.

4. Consideration of Resolution Approving the Terms of a Loan from Arvest Bank for the Missouri River Terminal Project Joe Lohman

Commissioner Hermann made a motion that the Finance and Administration Committee recommend approval of the assignment and collateralization of the Annual Administrative Fees from eleven (11) Tax Compliance Agreements, each agreement in connection to the Three Trails Industrial Park or the Northland Industrial Park projects, and the borrowing of \$2,500,000 for the Missouri River Terminal (MRT) Project, to the full Board of Commissioners.

Chairperson Oates seconded.

Roll call vote was taken:

Chairperson Oates, Aye
Commissioner Hermann, Aye

The motion passed unanimously.

5. Finance Report Joe Lohman

6. Asset Management Report Joe Perry

7. Other Business

8. CLOSED SESSION: Pursuant to Section 610.021 (1)(2)(3), RSMo for matters related to legal actions, real estate transactions and personnel issues

9. Adjourn Chairperson Oates

**PORT KC
FINANCE & ADMINISTRATION COMMITTEE MEETING MINUTES
FRIDAY, APRIL 15, 2022
8:30 A.M.**

Join Zoom Meeting

<https://us02web.zoom.us/j/89685103285?pwd=U2FVWmNFRjdYmZlWFZMR0VBZTRUz09>

Meeting ID: 896 8510 3285

Passcode: 245699

Staff:

Brian Rabineau, Joe Lohman, Jolene Mead, Jon Stephens, Mariah Shields, Mark Coulter, and Mary Barnes

Board:

Henok Tekeste, Matt Oates

Guests:

None

1. **Call to Order** Chairperson Oates

The meeting began at 8:37 a.m.

2. **Consideration of March 18, 2022 Minutes** Chairperson Oates

The minutes were tabled for consideration until the next Finance and Administration Committee meeting.

3. **Consideration of Resolution Approving the FY23 Budget** Joe Lohman

Commissioner Tekeste made the motion that the Finance and Administration Committee advance the FY23 Budget, as presented with recommendation to pass to the full Board of Commissioners.

Chairperson Oates seconded.

Roll call vote was taken:

Chairperson Oates, Aye
Commissioner Tekeste, Aye

The motion passed unanimously.

4. **Finance Report** Joe Lohman

5. **Asset Management Report**Joe Perry
6. **Other Business**
7. **CLOSED SESSION: Pursuant to Section 610.021 (1)(2)(3), RSMo for matters related to legal actions, real estate transactions and personnel issues**
8. **Adjourn**..... Chairperson Oates

The meeting adjourned at 9:20 a.m.

Motion Approval Summary
Port KC
Finance & Administration Committee
February 17, 2023

Title of Proposal: *Recommendation for the approval of FY23 Budget Amendment.*

Background: *Port KC's current fiscal year is May 1, 2022 to April 30, 2023. The FY23 Operating & Capital Budget was approved in April 2022. Each budget begins with a series of forecasts and assumptions about the future year. Budget progress is monitored throughout the year and reported to the board. Over time, the reality of the business operations and the budget may develop some significant differences, a budget amendment is a helpful process to update the budget plan and update expectations.*

Current Situation:

Key changes to the FY23 budget plan

- *The PDIP Grant with MARAD for the Missouri River Terminal (MRT) Project has been removed, again, due to delays and disqualified funding. All costs not yet incurred were also removed.*
- *AIM Zone 4 at the USDA site, downtown, began producing funds with funds about four times more than the originally budgeted.*
- *Richards-Gebaur Commerce Park leasing is over-performing again, so the lease revenue budget has increased with some corresponding maintenance and commission costs.*
- *Port Improvement Districts (PIDs) have performed very strongly in FY23, and those budgets have all been adjusted upwards.*
- *There are various other operational updates to the budget.*

Key changes due to FY22 Items completed in FY23

- *Four Development Finance Transactions, all expected before 4/30/2022, slipped into FY23. All four were added to the budget*
- *Projects at Woodswether Port Terminal, which were backed capital grants with MODOT, began in FY22 and were completed in FY23.*

Key changes due to FY23 Items shifted to in FY24

- *The beer garden project in Berkley Riverfront Park was originally expected in FY23; it is now expected in FY24.*
- *The FY23 budget for the streetcar extension was reduced based on updated cost schedules; the FY24 expectations have increased.*

Remaining budget unknowns in FY23 Budget

- *The budget anticipates two more development finance bond issuances to reach its goal. While this goal could be over-accomplished by one or more projects, it could also be like last year when all anticipated projects were delayed a few extra months.*
- *Another land transaction at Berkley is still expected to close in FY23, but it is always possible that it could shift into Fy24.*

Financial Impact:

	FY23 Budget		
	Approved Budget	Amendment #1	Amended Budget
Net Income	\$ 568,026	\$ 611,716	\$ 1,179,743
Cash Flow	\$ (1,563,084)	\$ 2,450,373	\$ 887,289
Revenue			
Lease Revenue	\$ 4,365,380	\$ 59,575	\$ 4,424,955
Grant Revenue	\$ 2,087,000	\$ (1,263,034)	\$ 823,966
Developer Revenue	\$ 3,545,000	\$ (324,339)	\$ 3,220,661
Taxes & Assessments	\$ 598,399	\$ 648,719	\$ 1,247,118
Administrative Fees	\$ 915,320	\$ 227,760	\$ 1,143,080
Other Revenues	\$ 611,406	\$ 149,064	\$ 760,470
Total Revenue	\$ 12,122,505	\$ (502,255)	\$ 11,620,250
Expenses			
Employment	\$ 1,893,767	\$ (46,330)	\$ 1,847,437
Office Operations	\$ 653,657	\$ (31,605)	\$ 622,052
Travel & Education	\$ 182,278	\$ 13,210	\$ 195,488
Marketing	\$ 137,200	\$ 32,500	\$ 169,700
Professional Services	\$ 2,894,600	\$ (1,566,310)	\$ 1,328,290
Property Management	\$ 2,984,780	\$ 432,862	\$ 3,417,642
Insurance	\$ 337,000	\$ -	\$ 337,000
Depreciation	\$ 830,497	\$ 47,202	\$ 877,700
KCMO Lease & Other	\$ 1,640,700	\$ 4,500	\$ 1,645,200
Total Expenses	\$ 11,554,479	\$ (1,113,971)	\$ 10,440,508
Other Cash Inflows/(Outflows)			
Receivables	\$ (1,650,000)	\$ 414,853	\$ (1,235,147)
Prepays	\$ 30,000	\$ -	\$ 30,000
Long-Term Assets	\$ (3,513,000)	\$ 3,045,602	\$ (467,398)
Accum Deprec	\$ 830,497	\$ 47,202	\$ 877,700
Lease Assets (As Lessee & Lessor)	\$ 5,676,648	\$ (1,800,000)	\$ 3,876,648
Lease Liability (As Lessee & Lessor)	\$ (5,805,256)	\$ (1,700,000)	\$ (7,505,256)
Long-Term Debt	\$ 2,300,000	\$ 1,831,000	\$ 4,131,000
Total Other Cash Flows	\$ (2,131,110)	\$ 1,838,657	\$ (292,454)

Recommendation: *Port KC Staff recommends approval of the FY23 Budget Amendment as presented to be advanced to the full Board of Commissioners.*

PROPOSED MOTION: I move the Finance & Administration Committee recommend approval of the FY23 Budget Amendment, as presented, to the full Board of Commissioners.



MEMORANDUM

Financial Metrics and Ratios

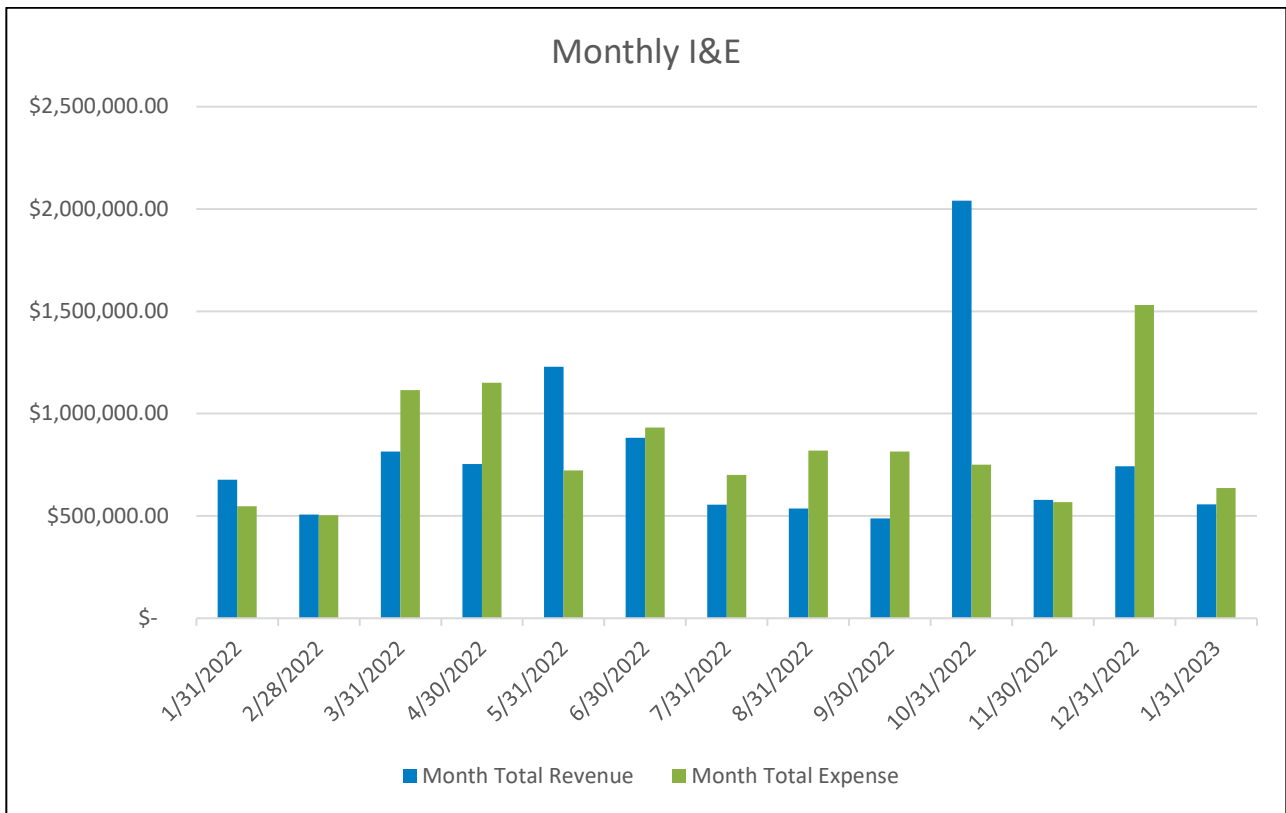
<u>Metric</u>	<u>Jan 31, 2023</u>	<u>Jan 31, 2022</u>	<u>Trend/Goal</u>
<u>Financial Ratios</u>			
Current Ratio	2.53	2.61	1.5 to 3.0
Quick Ratio	2.17	2.46	1.0 to 2.0
Unrestricted Cash on Hand	155 days	241 days	90-180 days
<u>Performance Metrics</u>			
<u>Metric</u>	<u>Jan 31, 2023</u>	<u>FY23 Total</u>	<u>FY23 YTD Budget</u>
Total Revenue	\$556,669	\$7,608,665	\$9,856,874
Total Expense	\$636,690	\$7,476,965	\$8,665,857
Net Surplus/(Deficit)	(\$80,021)	\$131,700	\$1,191,017
Net Change in Cash	\$1,545,816	\$4,370,052	\$3,938,998
<u>Status of Borrowing</u>			
	Changes in Jan	Balance	Available
RG Loan	\$0	\$1,000,000	\$0
Line of Credit	\$0	\$0	\$850,000
Draws on MRT Loan	\$0	\$834,457	\$1,665,543

Key Transactions

- Progress with the MRT project including capital additions to the balance sheet plus legal, consulting, and other planning expense, was a total of \$9,254.
- In January, progress with the South Loop Link project included a completed contract with Trozzolo for \$10,000, and progress with HNTB for \$16,839. These funds were reimbursed by the Downtown Council per the Funding Agreement.
 - In the last quarter of 2022, a Funding Agreement was put in place for the South Loop Link project between the Downtown Council, Downtown Kansas City Community Improvement District, DTC Community Development Inc, the City of Kansas City, MO, and Port KC.
 - A service agreement was engaged with Trozzolo for \$10,000, and a design contract was engaged with HNTB for \$5,694,642.

Looking Ahead

- In February, all Tax Compliance Payments (like PILOTS) will be disbursed to all of the beneficiary taxing jurisdictions. The total disbursements will be \$3,202,018.





Port KC
Statement of Activities

	January 2023	May 2022 thru January 2023 (FYTD 2023) - 9 months: 25.00%				FYTD 2022
	<u>Period Actual</u>	<u>FYTD Actual</u>	<u>FY Budget</u>	<u>\$ Remaining</u>	<u>% Remaining</u>	<u>Last FYTD</u>
Revenue						
Lease Revenue	\$ 364,830	\$ 3,373,768	\$ 4,365,380	\$ 991,613	22.72%	\$ 3,197,311
Grant Revenue	\$ 0	\$ 485,781	\$ 2,087,000	\$ 1,601,219	76.72%	\$ 24,632
Developer Revenue	\$ 6,372	\$ 1,524,828	\$ 3,545,000	\$ 2,020,172	56.99%	\$ 1,286,801
Taxes & Assessments	\$ 40,908	\$ 896,745	\$ 598,399	\$(298,346)	(49.86%)	\$ 311,173
Administrative Fees	\$ 58,122	\$ 740,238	\$ 915,320	\$ 175,082	19.13%	\$ 653,460
Other Revenue	\$ 86,438	\$ 587,307	\$ 611,406	\$ 24,099	3.94%	\$ 292,039
Revenue	\$ 556,669	\$ 7,608,667	\$ 12,122,505	\$ 4,513,838	37.24%	\$ 5,765,415
Expense						
Employment	\$ 229,972	\$ 1,351,639	\$ 1,893,767	\$ 542,128	28.63%	\$ 1,192,926
Office Operations	\$ 50,014	\$ 466,892	\$ 653,657	\$ 186,764	28.57%	\$ 344,709
Travel & Education	\$ 15,807	\$ 142,511	\$ 182,278	\$ 39,767	21.82%	\$ 114,512
Marketing	\$ 714	\$ 124,688	\$ 137,200	\$ 12,512	9.12%	\$ 109,104
Professional Services	\$ 14,441	\$ 1,209,407	\$ 2,919,600	\$ 1,710,193	58.58%	\$ 614,786
Property Management	\$ 94,615	\$ 2,077,649	\$ 2,959,780	\$ 882,131	29.80%	\$ 741,759
Insurance	\$ 26,264	\$ 240,822	\$ 337,000	\$ 96,178	28.54%	\$ 215,616
Depreciation	\$ 70,222	\$ 651,580	\$ 830,497	\$ 178,917	21.54%	\$ 626,358
Other Expense	\$ 134,642	\$ 1,211,775	\$ 1,640,700	\$ 428,925	26.14%	\$ 1,131,635
Expense	\$ 636,690	\$ 7,476,963	\$ 11,554,479	\$ 4,077,516	35.29%	\$ 5,091,404
Net Income	\$(80,020)	\$ 131,704	\$ 568,026	\$ 436,323	76.81%	\$ 674,011

Port KC

Statement of Net Position

	As of Jan 31, 2023				Last Fiscal Year
	Unrestricted	Restricted	Capital Projects	Total	1/31/2022
ASSETS					
Current Assets					
Cash & Cash Equivalents					
Cash	\$4,897,634	\$4,206,762	\$3,299,243	\$12,403,639	\$13,282,136
Cash Equivalents	\$0	\$0	\$56,000	\$56,000	\$156,000
Total Cash & Cash Equivalents	\$4,897,634	\$4,206,762	\$3,355,243	\$12,459,639	\$13,438,136
Other Current Assets					
Accounts Receivable	\$107,664	\$25,557	\$0	\$133,221	\$398,064
Loans Receivable	\$0	\$200,000	\$1,220,958	\$1,420,958	\$285,820
Prepaid Expense	\$688,008	\$0	\$0	\$688,008	\$570,763
Due To, Due From	\$7,030	(\$7,030)	\$0	\$0	\$0
Total Other Current Assets	\$802,702	\$218,527	\$1,220,958	\$2,242,187	\$1,254,647
Total Current Assets	\$5,700,336	\$4,425,288	\$4,576,201	\$14,701,825	\$14,692,783
Long-Term Assets					
Real Estate Inventory	\$0	\$0	\$6,921,952	\$6,921,952	\$7,343,654
Capital Assets	\$0	\$0	\$22,379,057	\$22,379,057	\$22,048,891
RoU Leased Assets	\$6,434,015	\$0	\$0	\$6,434,015	\$8,132,784
Leases Receivable	\$12,873,038	\$0	\$0	\$12,873,038	\$15,780,089
Total Long-Term Assets	\$19,307,054	\$0	\$29,301,009	\$48,608,063	\$53,305,418
Total ASSETS	\$25,007,390	\$4,425,288	\$33,877,210	\$63,309,888	\$67,998,201
LIABILITIES AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$2,124,072	\$3,205,034	\$5,382	\$5,334,488	\$5,050,434
Deferred Revenue	\$272,344	\$0	\$56,000	\$328,344	\$472,636
Accrued Payroll	\$151,504	\$0	\$0	\$151,504	\$107,997
Total Current Liabilities	\$2,547,920	\$3,205,034	\$61,382	\$5,814,336	\$5,631,067
Long Term Liabilities					
Lease Liability	\$5,578,195	\$0	\$0	\$5,578,195	\$7,170,469
RoU Lease Liability	\$14,917,423	\$0	\$0	\$14,917,423	\$18,068,343
Notes Payable	\$834,457	\$0	\$1,000,000	\$1,834,457	\$1,400,000
Total Long Term Liabilities	\$21,330,075	\$0	\$1,000,000	\$22,330,075	\$26,638,812
TOTAL LIABILITIES	\$23,877,996	\$3,205,034	\$1,061,382	\$28,144,412	\$32,269,879
NET POSITION					
Total Net Position	\$1,129,394	\$1,220,254	\$32,815,828	\$35,165,476	\$35,728,323
TOTAL NET POSITION	\$1,129,394	\$1,220,254	\$32,815,828	\$35,165,476	\$35,728,323
TOTAL LIABILITIES & NET POSITION	\$25,007,390	\$4,425,288	\$33,877,210	\$63,309,888	\$67,998,201



Port KC
Statement of Cash Flows

	<u>Jan Change in Cash</u>	<u>FYTD Change in Cash</u>	<u>LFYTD Change in Cash</u>
Cash Flows from Operating Activities			
Net Income	\$(80,020)	\$ 131,704	\$ 674,011
Accounts Receivable	\$ 2,236,520	\$(1,082,209)	\$(138,263)
Prepaid Expense	\$(367,340)	\$(219,926)	\$(165,548)
Accounts Payable	\$(178,180)	\$ 4,490,202	\$ 4,512,627
Deferred Revenue	\$ 30,334	\$(75,498)	\$ 289,756
Accumulated Depreciation	\$ 70,222	\$ 649,644	\$ 624,395
Cash Flows from Operating Activities	<u>\$ 1,711,535</u>	<u>\$ 3,893,916</u>	<u>\$ 5,796,978</u>
Cash Flows from Investing Activities			
Land & Land Improvements	\$(11,527)	\$ 404,444	\$ 205,950
Buildings, Additions & Improvements	\$ 0	\$(16,550)	\$ 0
Computer Hardware & Software	\$ 0	\$(12,571)	\$(7,358)
Furniture & Fixtures	\$ 0	\$(5,793)	\$ 0
Equipment	\$ 0	\$ 0	\$(7,014)
Construction in Progress	\$(2,800)	\$ 73,829	\$(97,676)
Infrastructure	\$ 0	\$(832,200)	\$(34,374)
Long-Term Lease Receivable (Lessor)	\$ 10,106	\$ 3,179,398	\$(13,187,007)
Right-of-Use Liability (Lessor)	\$(311,812)	\$(2,488,265)	\$ 14,430,030
Cash Flows from Investing Activities	<u>\$(316,033)</u>	<u>\$ 302,293</u>	<u>\$ 1,302,552</u>
Cash Flows from Financing Activities			
Right-of-Use Asset (Lessee)	\$ 141,978	\$ 1,272,811	\$(6,919,681)
Notes Payable	\$ 0	\$ 534,457	\$(367,595)
Long-Term Lease Payable (Lessee)	\$ 8,336	\$(1,633,425)	\$ 6,375,923
Cash Flows from Financing Activities	<u>\$ 150,314</u>	<u>\$ 173,843</u>	<u>\$(911,353)</u>
Net Increase/(Decrease) in Cash	\$ 1,545,816	\$ 4,370,052	\$ 6,188,177
Beginning Balance	\$ 10,913,823	\$ 8,089,586	\$ 7,249,959
Ending Balance	<u>\$ 12,459,639</u>	<u>\$ 12,459,639</u>	<u>\$ 13,438,136</u>



Port KC
Checks of \$5000

<u>Check Date</u>	<u>Check Num</u>	<u>Bank Account</u>	<u>Vendor</u>	<u>Amount</u>
01/04/2023	4886	Operating Arvest 2023-01	BCKC Union Berkley, LLC Rent for 110 Berkley Plaza	\$ 11,100
01/11/2023	4900	Operating Arvest 211/22	Parris Communications, Inc Strategic Communications - Dec 2022 + Prepaid Funds	\$ 11,750
01/11/2023	7575	RG Checking PORT113022-PM PORT113022-BE	Newmark Zimmer November 2022 Property Management November 2022 Service Calls	\$ 5,150
01/18/2023	4904	Operating Arvest 5551D6602	Envirologics, Inc. Graffiti Removal & Lock Removal	\$ 17,650
01/23/2023	4908	Operating Arvest 49042 49790	ICF Jones & Stokes, Inc Project #103917.0.001.01 Project #103917.0.001.01	\$ 30,351
01/23/2023	4909	Operating Arvest 2021 Certified Jobs	Penn Seven, LLC AIM Zone 4 (USDA) Proceeds from Certified Jobs	\$ 197,993
01/23/2023	7580	RG Checking 2022-12 Payroll 2022-12 Payroll 2023-01 Insurance 2023-01 Insurance 2023-01 MISC	Port Authority of Kansas City, MO RG to Operating - December 2022 Payroll EAF to Operating - December 2022 Payroll RG to Operating - January 2023 Insurance EAF to Operating - January 2023 Insurance RG to Operating - January 2023 MISC	\$ 44,188
01/24/2023	4918	Operating Arvest TB11982 TB11982	Taliaferro And Browne, Inc. Project #903194 - WO #26 Project #903194 - WO #29	\$ 12,969
01/24/2023	4919	Operating Arvest PORTKC2023-FDN	The Chamber of Commerce of Greater Kansas City Found Workforce Development Committee Membership	\$ 5,000
01/24/2023	4920	Operating Arvest 16599	Trozzolo Communications Group Professional Services - South Loop Link	\$ 10,000

Vendors greater than \$25,000

Vendor name	Invoice Count_1	Total payment amount_1
3 CO	2	\$47,200.00
Alerus	35	\$58,515.68
Ballard Spahr LLP	9	\$331,167.17
BCKC Union Berkley, LLC	9	\$113,614.56
BlueCross BlueShield of KC	9	\$99,235.11
Brent Hemphill & Associates, Inc.	9	\$36,000.00
Brightview Landscapes, LLC	27	\$156,440.95
Burns & McDonnell	5	\$59,067.12
CliftonLarsonAllen LLP	5	\$37,659.85
Corrigan Station, LLC	9	\$42,014.00
Country Club Bank	12	\$355,743.06
Downtown Kansas City Community Improver	9	\$38,251.61
Economic Development Corporation	1	\$192,500.00
Everyg	226	\$77,613.49
FAO, USAED, Kansas City (G5)	2	\$37,000.00
Full Employment Council, Inc	1	\$35,000.00
ICF Jones & Stokes, Inc	7	\$239,981.74
Kansas City Area Development Council	3	\$25,145.00
Kansas City Area Transportation Authority	1	\$746,206.53
KPMG LLP	8	\$493,935.97
Massman Construction Co	1	\$606,650.00
Metro Public Safety and Investigation LLC	15	\$37,406.67
MREM BOT Holdings, LLC	9	\$58,000.00
Newmark Zimmer	29	\$117,482.77
Olsson, Inc	3	\$56,900.00
Parris Communications, Inc	8	\$97,483.08
Penn Seven, LLC	2	\$740,379.04
Port Authority of Kansas City, MO	62	\$534,682.53
Principal Financial Group	23	\$96,219.69
Rouse Frets White Goss Gentile Rhodes, PC	6	\$50,000.00
Security Bankcard Center	11	\$95,083.01
Spire	63	\$109,580.68
Surface Transportation Board	1	\$91,600.00
Taliaferro & Browne, Inc.	2	\$29,498.00
TranSystems	11	\$62,270.40